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FISCAL IMPACT STATEMENT

LS 6116

BILL NUMBER: HB 1068

NOTE PREPARED: Jan 13, 2015

BILL AMENDED: Jan 13, 2015

SUBJECT: Background checks.

FIRST AUTHOR: Rep. Thompson

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill makes changes to the definition of an "expanded criminal history check", which is required for employment at a school. It provides that an employee of a school corporation, charter school, or an accredited nonpublic school must receive an expanded criminal history check every five years.

Effective Date: July 1, 2015.

Explanation of State Expenditures: (Revised) Under this bill, the workload of the Indiana State Police (ISP) could increase. Estimates indicate that there are approximately 66,000 teachers that could be impacted by this bill. If it is assumed that the ISP would process 40% of these expanded criminal history checks (because of competition from consumer reporting agencies), and the number of checks is spread out over five years, the increase would be an average of approximately 5,300 criminal history checks per year. This represents about a 6% increase in the number of criminal history checks processed by the ISP annually. The increase in processing resources required could be offset by the increase in revenues from fees for expanded criminal history checks.

Explanation of State Revenues: (Revised) *Summary:* Under current law, school corporations, including charter schools and accredited nonpublic schools, must conduct an expanded criminal history check on a prospective employee. The ISP uses the national criminal history background check to verify to the school that the person has not been convicted of specific crimes.

This bill expands the definition of an expanded criminal history check to include a background check completed by a consumer reporting agency. The expanded criminal history check also has to be performed every five years. The potential impact on state revenues due to this change is unknown at this time. It would

probably depend on the cost of an expanded criminal history check through the ISP versus the cost of the expanded criminal history check through the consumer reporting agency. The cost of an expanded criminal history check through the ISP is approximately \$39.45, with \$15 deposited into the state General Fund; a background check completed by a consumer reporting agency is estimated to cost about \$30.

It is assumed that the ISP would process about 40% of the expected increase in expanded criminal history checks. If this increase occurs, the expected increase in revenues to the state General Fund is estimated to be \$79,500 a year.

Additional Information: Under current law, an "expanded criminal history check" can be completed in one of two ways. The first includes the following:

- (1) A search of records from all Indiana counties in which the applicant resided.
- (2) A search of all counties in other states in which the applicant resided.
- (3) A search of and the national sex offender registry maintained by the United States Department of Justice, or the sex offender registries of all 50 states.

The second consists of a national criminal history background check and item (3) above. A national criminal history background check requires a search of the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification or any other method of positive identification. This background check is obtained through the ISP.

Under this bill, an expanded criminal history check requested through a consumer reporting agency would consist of the three items above plus: (A) verification of the applicant's identity; (B) a search of all names associated with the applicant; (C) a search of the United States District Court records in each state in which the applicant has resided; and (D) a multi-state criminal database search.

Some school corporations currently use a private company for their background checks.

Explanation of Local Expenditures: (Revised) Under current law, a school employee has to pay the cost of the employee's initial expanded criminal history check. Under this bill, the school corporation, charter school, or nonpublic school could, at its discretion, decide to assume the cost of the second and subsequent expanded criminal history checks on the employee. This additional cost would have to be met within existing resources. A school corporation could contract with a consumer reporting agency or request the ISP to perform the expanded criminal history check.

Explanation of Local Revenues:

State Agencies Affected: Indiana State Police.

Local Agencies Affected: School corporations; Charter schools.

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations*; M/Trp. Eric Wandersee, Indiana State Police, 317-234-6515.

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